

MAYOR, DAY & CALDWELL

1900 REPUBLICBANK CENTER
HOUSTON, TEXAS 77002
TWX 910-881-6917
CABLE MAYDAYHOU
(713) 225-7000

RECORDATION NO. 14836-A

P.O. BOX 61269

HOUSTON, TEXAS 77208

OCT 28 1988-11 00 AM

October 17, 1988 INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee
Office of the Secretary
Interstate Commerce Commission
12th & Constitution, N.W., Room 2303
Washington, D.C. 20423

No. 8-302A017

Date OCT 28 1988

Fee \$ 13.00

ICC Washington, D. C.

Dear Ms. Lee:

On behalf of ITT Commercial Finance Corp., I have enclosed for filing one executed counterpart and one certified true copy of a secondary document entitled "First Amendment to Master Security Agreement (Rental Fleet Financing), Security Agreement (Chattels) and Promissory Note" dated effective August 16, 1988, to be recorded pursuant to 49 U.S.C. §11303(a) and the regulations promulgated thereunder.

This secondary document is an amendment to certain security agreements and a promissory note relating to a loan in the original principal amount of \$430,000.32 and is executed in modification, renewal and extension of the security interest granted in certain property to secure the loan.

The primary document to which this document is connected was recorded on November 15, 1985 at 4:15 p.m. under Recordation No. 14836.

The names and addresses of the parties to the Financing Agreement are as follows:

Inman Service Company, Inc. - Debtor
115 North Main
Baytown, Texas 77520

ITT Commercial Finance Corp. - Secured Party
8251 Maryland Avenue
Clayton, Missouri 63105

NOV 28 10 53 AM '88
MOTOR OPERATING UNIT

A short summary of the document to appear in the Index is as follows:

First Amendment to Master Security Agreement (Rental Fleet Financing), Security Agreement (Chattels) and Promissory Note, modifying, renewing and extending the security interest created in that certain Master Security Agreement (Rental Fleet Financing) and that certain Security Agreement (Chattels), each dated November 6, 1985 and securing that one certain Promissory Note of even date therewith in the original principal amount of \$430,000.32.

A description of the collateral covered by the enclosed document is as follows:

<u>Equipment Description</u>	<u>Model No.</u>	<u>Serial No.</u>
1 EMD Locomotive Road #195	SW - 9	4098-42
1 EMD Locomotive Road #134	SW - 9	6182-1
1 EMD Locomotive Road #509	SW - 9	3291
1 EMD Locomotive Road #182	SW - 9	4098-29
1 EMD Locomotive Road #163	SW - 9	4098-10
1 EMD Locomotive Road #178	SW - 9	4098-25
1 EMD Locomotive Road #145	SW - 9	6182-12
1 EMD Locomotive Road Southern Pacific #1326	NW - 2	1045-22

Together with all parts, accessories, attachments, substitutions, repairs, improvements and replacements, and any and all rights thereunder and proceeds thereof, including, without limitation, insurance proceeds; and all chattel paper, contract rights, leases, accounts, documents, instruments, and general intangibles, now existing or hereafter arising, as a result of the sale, lease, demonstration or disposition in any manner whatsoever, of the above, and all rentals resulting from any leases.

Enclosed is our firm's check in the amount of \$13.00 in payment of the filing fee.

Interstate Commerce Commission
October 17, 1988
Page 3

Once the filings have been made, please return to the undersigned the original and any extra copies of the document not required for filing purposes, together with the fee receipt, the letter from the ICC acknowledging the filings, and the two extra copies of this letter of transmittal.

Very truly yours,



Julie Barry
Attorney for ITT Commercial
Finance Corp. for the purpose
of filing.

JB:mbd

Enclosures

JB08:16

14836-A
REGISTRATION NO. _____ FILE NO. _____

**FIRST AMENDMENT TO MASTER SECURITY AGREEMENT
(RENTAL FLEET FINANCING),
SECURITY AGREEMENT (CHATELS) AND
PROMISSORY NOTE**

**AUG 28 1988 - 11 40 AM
INTERSTATE COMMERCE COMMISSION**

This First Amendment to Master Security Agreement (Rental Fleet Financing), Security Agreement (Chattels) and Promissory Note is made and entered into effective the 16th day of August, 1988, by and between INMAN SERVICE COMPANY, INC. a Texas corporation ("Debtor"), and ITT COMMERCIAL FINANCE CORPORATION f/k/a ITT Industrial Credit Company ("ITT"):

W I T N E S S E T H:

WHEREAS, prior to the date hereof, Debtor has executed and delivered to ITT that certain Master Security Agreement (Rental Fleet Financing) dated November 6, 1985 ("Master Security Agreement") and that certain Security Agreement (Chattels) dated November 6, 1985 ("Chattel Security Agreement") (collectively the "Security Agreements") covering, among other collateral, certain locomotives owned by Debtor, as security for all present and future obligations of the Debtor to ITT; and

WHEREAS, prior to the date hereof, Debtor has executed and delivered to ITT that certain Promissory Note dated November 6, 1985 in the original principal amount of FOUR HUNDRED THIRTY THOUSAND AND 32/100 (\$430,000.32) (the "Note"); and

WHEREAS, the Debtor and ITT have entered into an agreement to modify and restructure the Note and the Security Agreements as outlined in the Fourth Plan of Reorganization as modified, confirmed by the Court on August 16, 1988, in the case of In re Inman Service Company, Inc., Case No. 87-06664-H3-11, pending in the Bankruptcy Court for the Southern District of Texas, Houston Division (the "Agreement");

NOW, THEREFORE, for and in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in further consideration of the Agreement, the Debtor and ITT hereby covenant and agree as follows:

1. The second sentence of paragraph 5 of the Master Security Agreement is hereby amended as follows: "Upon the occurrence of any such default or in the event that Secured Party deems this Security Agreement or any item of collateral hereunder to be insecure, Secured Party may, at its option, declare a default by providing the Debtor with written notice of such default, whereupon the Debtor shall have thirty (30) days from the date of receipt of such notice of default to cure such default. If the default is not cured within the thirty (30) day period, the Secured Party may, at its option, declare all indebtedness, obligation, and liabilities secured hereby, to be immediately due and payable, and Secured Party shall have all the rights and remedies granted to a secured party under the Uniform Commercial Code, including, without limitation the right to require Debtor to assemble the Collateral and make it available to Secured Party at a place designated by Secured Party and to enter upon the premises where the Collateral, or any part of it may be, and take possession thereof, Debtor hereby WAIVING NOTICE AND OPPORTUNITY FOR HEARING."

2. Each Schedule 'A' to the Master Security Agreement and the Chattel Security Agreement is hereby amended as follows: (Quantity) One, (Description of Equipment) EMD Locomotive Road No. 1227, (Year and Model) SW-9, (Serial No.) 6288-4 is deleted from the schedule. Substituted in its place is (Quantity) One, (Description of Equipment) EMD Locomotive Road No. 1326, (Year and Model) NW-2, (Serial No.) 1045-22. Additional collateral to be added is described as: All chattel paper, contract rights, leases, accounts, documents, instruments and general intangibles, now existing or hereafter arising, as a result of the lease, and all rentals resulting from any leases, of (Quantity) One (Description of Equipment) EMD Locomotive Road No. 1227, (Year and Model) Sw-9, (Serial No.) 6288-4.

3. The second sentence of the first paragraph of the Chattel Security Agreement which begins "KNOW ALL MEN BY THESE PRESENTS" is hereby amended to read as follows: "Debtor agrees that a default under this transaction or any other transaction between Debtor and Secured Party shall be deemed to be a default under all such transactions and, except for any notice requirements provided in the documents evidencing the transactions, all the amounts due shall become immediately due and payable and Secured Party will be entitled to exercise any and all rights and remedies available to it under the Uniform Commercial Code."

4. The paragraph of the Chattel Security Agreement which is identified as "(a)" is hereby amended as follows: "The Collateral is free and clear of all liens and encumbrances except those held by the Secured Party, any local taxing authorities and the Internal Revenue Service (which is subordinate to the lien and security agreement of ITT)."

5. The second sentence of paragraph 2 of the "Additional Provisions" is hereby amended to read as follows: "Without limiting the foregoing, if in fact the Debtor leases or rents any item of Collateral, Secured Party may on demand take possession of the original of said lease and shall be granted a security interest in it and in all rents paid or due to Debtor with respect to such Collateral and in the event of a default by Debtor which is not cured within the thirty (30) day cure period provided for herein, Secured Party shall have the right in its own name to collect such rentals directly from the party owing same."

6. Paragraph 4 of the "Additional Provisions" to the Chattel Security Agreement is hereby amended to read as follows: "If the Debtor shall default in the payment of any of the indebtedness, obligations or liabilities secured hereby, or shall default in the performance of any agreement herein contained, or if any breach be made of any obligation, promise, declaration or warranty of Debtor herein contained or secured hereby, or if a petition is filed by or against Debtor under any of the laws of the United States relating to Bankruptcy, or Reorganizations or Arrangements, or if there is an appointment of a trustee or receiver for the Debtor or for a substantial part of its property, or if there is an Assignment made for the benefit of creditors, or if Secured Party, in good faith deems itself insecure, Secured Party, at its option, may declare a default by providing the Debtor written notice of such default, whereupon the Debtor shall have thirty (30) days from the date of receipt of such notice of default to cure such default. If the default is not cured within such thirty (30) day cure period, the Secured Party, at its option, may declare all indebtedness, obligations and liabilities secured hereby, to be immediately due and payable, and Secured Party shall have all the rights and remedies granted to a Secured Party under the Uniform Commercial Code, including,

without limitation the right to require Debtor to assemble the Collateral and make it available to Secured Party at a place designated by Secured Party and to enter upon the premises where the Collateral, or any part of it may be, and take possession thereof, Debtor hereby WAIVING NOTICE AND OPPORTUNITY FOR HEARING. Provided further, that the Secured Party's waiver or forbearance of any default or right granted by this Agreement, regardless of the extent or duration of such waiver or forbearance, shall not constitute a waiver of any subsequent default or of the Secured Party's right to require strict performance of this Agreement."

7. Paragraph 7 of the "Additional Provisions" to the Chattel Security Agreement is hereby amended as follows: "Except as otherwise provided herein, any requirement of reasonable notice to Debtor shall be met if such notice to such Debtor is deposited in United States mail, postage prepaid to the address of Debtor, as hereinabove set forth (or to such other address as Debtor may have requested in writing), at least seven (7) days before the time of the event set forth in such notice."

8. The first paragraph of the Note is hereby amended to read as follows: "For value received, the undersigned promises to pay to the order of ITT Commercial Finance Corporation f/k/a ITT Industrial Credit Company ("Company") at 8251 Maryland Avenue, Clayton, Missouri 63105 the principal sum of THREE HUNDRED SIXTY-FOUR THOUSAND SIXTY-SIX AND 23/100 DOLLARS (\$364,066.23), together with interest thereon at the rate of eleven percent (11%) per annum, until paid in full, with the principal payable in twenty (20) consecutive quarterly installments of principal and interest as follows:

(a) Four consecutive equal quarterly installments of THIRTEEN THOUSAND THREE HUNDRED TWO AND NO/100 DOLLARS (\$13,302.00); followed by

(b) Four consecutive equal quarterly installments of EIGHTEEN THOUSAND SIX HUNDRED TWENTY-TWO AND 80/100 DOLLARS (\$18,622.80); followed by

(c) Four consecutive equal quarterly installments of TWENTY-THREE THOUSAND NINE HUNDRED FORTY-THREE AND 60/100 DOLLARS (\$23,943.60); followed by

(d) Four consecutive equal quarterly installments of TWENTY-NINE THOUSAND TWO HUNDRED SIXTY-FOUR AND 40/100 DOLLARS (\$29,264.40); followed by

(e) Three consecutive equal quarterly installments of THIRTY-NINE THOUSAND NINE HUNDRED SIX AND NO/100 DOLLARS (\$39,906.00); followed by

(f) One final installment equal to entire remaining unpaid principal balance and all accrued and unpaid interest and charges;

Each payable on the sixteenth (16th) day of the months of November, February, May and August commencing in 1988 and ending on August 16, 1993; provided, however, that the first installment shall be due on October 16, 1988 rather than November 16, 1988. Payments shall be applied first to interest to-date and the remainder to principal."

9. Paragraphs 2 and 3 of the Note are hereby deleted in their entirety.

10. Paragraph 4 of the Note is hereby amended as follows: "The principal balance owed under this Note may be prepaid at any time during its term, provided there has been no default herein."

11. Paragraph 5 of the Note is hereby amended as follows: "Time is of the essence hereof. If any installment is in arrears not less than ten (10) days, the undersigned agrees to pay a delinquency and collection charge of FIVE CENTS (\$0.05) per dollar on, and in addition to the amount of said installment, but in any event not exceeding the maximum lawful charges. Except as otherwise provided in this Note, the Makers and Endorsers hereby severally waive presentment, demand, protest, notice of protest and notice of dishonor. If default be made in the payment of any of said installment or of any provisions of the Security Agreement, securing this Note, the legal Holder hereof, at its option, may declare a default by providing the Maker with written notice of such default, whereupon the Maker shall have thirty (30) days from the date of receipt of such notice of default to cure such default. If the default is not cured within the thirty (30) day period, the legal Holder hereof, may, at its option, declare the principal sum above mentioned or any balance unpaid immediately due and payable, together with all interest, all just and reasonable expenses, costs and disbursements, including reasonable attorneys' fees, to the extent permitted by law, incurred for suit or collection. This Note is secured by a Security Agreement dated November 6, 1985, as amended by this First Amendment."

12. The Debtor hereby grants to ITT a security interest in all the right, title and interest of the Debtor in and to the items identified on Schedules A to the Security Agreements, as amended, and all other collateral covered by the Security Agreements, all other covenants, conditions and terms of the Security Agreements and the Note not amended herein to remain in full force and effect.

EXECUTED on this _____ day of _____, 1988, but effective as of the day and year first above written.

DEBTOR.

INMAN SERVICE COMPANY, INC.

By: R.C. Inman
Name: R.C. INMAN
Title: PRES.

ITT COMMERCIAL
FINANCE CORPORATION

By: Todd Meyer
Name: Todd Meyer
Title: Western Division Credit Manager

THE STATE OF TEXAS

§

COUNTY OF HARRIS

§

§

This instrument was acknowledged before me on the 18th day
of October, 1988, by R.C. Inman,
President of INMAN SERVICE COMPANY, INC. a Texas corporation, on behalf of said
corporation.

Julie Ann Neal

Notary Public in and for the
State of T E X A S

Julie Ann Neal
(Printed Name of Notary)

My Commission Expires:

7/8/91

THE STATE OF TEXAS

§

COUNTY OF ~~HARRIS~~ DALLAS

§

§

This instrument was acknowledged before me on this 20th day
of October, 1988, by Todd Meyer,
of ITT COMMERCIAL FINANCE CORPORATION, on behalf of said Corporation.

Rhonda M. Khorasani

Notary Public in and for the
State of T E X A S

Rhonda M. Khorasani
(Printed Name of Notary)

My Commission Expires:

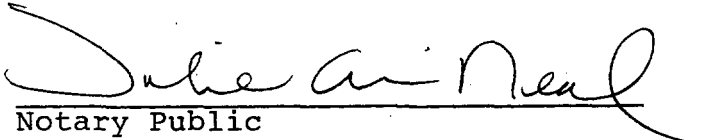
11-14-91

DL/alm
#23/d-9

THE STATE OF TEXAS)
)
COUNTY OF)

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared R.C. Inman, on behalf of Inman Service Company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that same was executed for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18th day of October, 1988.


Notary Public

JB08:16a

THE STATE OF TEXAS)
)
COUNTY OF)

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared Todd Meyer, on behalf of ITT Commercial Finance Corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that same was executed for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 20th day of October, 1988.

Rhonda M. Khorasani
Notary Public

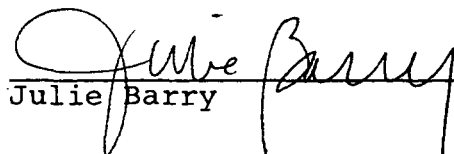
JB08:16a

STATE OF TEXAS)
)
COUNTY OF HARRIS)

CERTIFICATION OF TRUE COPY

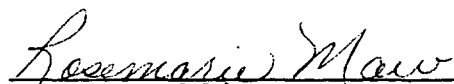
I, Julie Barry, a member of the Bar of the State of Texas, do hereby certify that I have compared the attached copy of the document entitled "First Amendment to Master Security Agreement (Rental Fleet Financing), Security Agreement (Chattels) and Promissory Note", with an executed original counterpart thereof and find the said attached copy to be in all respects a true, correct and complete copy of the aforesaid executed original counterpart.

IN WITNESS WHEREOF, the undersigned has hereto affixed her signature this 24th day of October, 1988.



Julie Barry

Subscribed and sworn to before me this 24th day of October, 1988.



Notary Public

My Commission Expires:

4/24/89

JB08:16b

ROSEMARIE MAW
Notary Public, State of Texas
My Commission Expires April 24, 1989
Bonded by Lovett Agency, Lawyers Surety Corp.